

Commodity Futures Trading Commission
CEA CASES

NAME: JAY H. SCHMIDT

DOCKET NUMBER: 107

DATE: JULY 30, 1962

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re Jay H. Schmidt, Respondent

CEA Docket No. 107

Complaint and Notice of Hearing under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondent, Jay H. Schmidt, has violated the provisions of the Commodity Exchange Act (7 U.S.C. § 1 et seq.), and the rules and regulations made pursuant to its requirements (17 CFR, Part 1), and in accordance with the provisions of section 6(b) of the said act (7 U.S.C. § 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent, Jay H. Schmidt, is an individual whose address is 3950 Lake Shore Drive, Chicago, Illinois.

II

The Chicago Mercantile Exchange is now and was at all times material to this complaint a duly designated contract market under the Commodity Exchange Act.

III

On January 10, 11, and 12, 1962, the respondent held or controlled a net long position in shell egg futures on the Chicago Mercantile Exchange, which position ranged from 34 carlots to 64 carlots in a single future. By reason of the fact that such quantities were equal

to or in excess of 25 carlots, the respondent was in reporting status and was required to report to the Commodity Exchange Authority with respect to all transactions executed and all open contract positions held or controlled by him, in all egg futures on all boards of trade (exchanges) on said dates and with respect to all transactions by reason of which the respondent's position was reduced below reporting levels, as provided in section 4i of the Commodity Exchange Act (7 U.S.C. § 6i) and sections 15.01, 15.02, 15.03, 18.00, 18.01 and 18.03 of the regulations thereunder (17 CFR 15.01, 15.02, 15.03, 18.00, 18.01, 18.03).

IV

On January 10, 11, and 12, 1962, while the respondent was in reporting status as described in paragraph III, and on January 15, 1962, when the respondent's position was reduced below 25 carlots, transactions in shell egg futures on the Chicago Mercantile Exchange were executed on his behalf, but the respondent failed or refused to submit a report to the Commodity Exchange Authority with respect to January 10, 1962, and submitted false reports with respect to January

11, 12, and 15, 1962, in willful violation of the aforesaid sections of the Commodity Exchange Act and the regulations thereunder.

V

During the period January 11 through January 15, 1962, the respondent held a speculative net long position in January 1962 shell egg futures on the Chicago Mercantile Exchange which ranged between 60 carlots and 64 carlots.

VI

On January 15, 1962, the respondent made speculative sales of 65 carlots of January 1962 shell egg futures on the Chicago Mercantile Exchange.

VII

By reason of the facts set forth in paragraphs V and VI above, the respondent willfully violated section 4a (2) of the Commodity Exchange Act and the order of the Commodity Exchange Commission establishing limits on positions and daily trading in shell eggs for future delivery (7 U.S.C. 6a (2); 17 CFR 150.5).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondent. The respondent will have twenty (20) days after the receipt of this notice of hearing in which to file with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., an answer with an original and five copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each material and relevant allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint and waiver of hearing. The respondent is hereby notified that unless hearing is waived, either expressly or by failure to file an answer and request a hearing, a hearing will be held at 10:00 a.m., local time, on September 25, 1962, in Chicago, Illinois, at a place therein to be specified later, before a referee

designated to conduct such hearing. At such hearing the respondent will have the right to appear and show cause, if any there be, why an order should not be made directing that all contract markets refuse all trading privileges to the respondent for such period of time as may be determined.

It is ordered that this complaint and notice of hearing be served on the respondent at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.,

July 30, 1962

/s/ [ILLEGIBLE TEXT]

[ILLEGIBLE TEXT]

Assistant Secretary

LOAD-DATE: June 12, 2008

